



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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April 7, 1997

Pat Gochnour
Gochnour and Associates, Incorporated
P.O. Box 3207
Englewood, Colorado 80155

Re: Conditional Approval of Form and Amount of Reclamation Surety, Summo USA Corporation
("Summo"), Lisbon Valley Copper Project, M/037/088, San Juan County, Utah

Dear Mr. Gochnour:

On January 22, 1997, the Board of Oil, Gas and Mining ("Board") formally approved the form and *proposed* amount of reclamation surety for Summo's Lisbon Valley Copper Project. The proposed reclamation surety is in the form of a surety bond to be issued by Robert C. Bates, Incorporated. The amount of surety is \$2,689,000 in terms of year 2000 dollars. This surety amount is estimated to cover reclamation costs for project disturbances created during the first three years of operation. The estimated amount of surface disturbance for the first three years is 395 acres. This reclamation surety will need to be adjusted in three years or prior to project disturbances exceeding 395 acres. The Division cannot grant final approval of this project allowing mining operations to begin, until the actual surety bond has been received.

The Board Order on this matter was issued March 14, 1997. The Division's conditional approval of this project is effective as of that date. Summo should have already received a copy of the Board Order by certified mailing. Thank you for your patience and continued cooperation in finalizing this permitting action. Please call me or Tony Gallegos of my staff, if you have any questions regarding this letter.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb
cc: Robert Prescott, Summo USA Corporation
Dennis Fredricks, DWQ
Lynn Jackson, BLM Moab District
Terry McParland, BLM State Office
Will Stokes, SITLA

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